

Mr. Chairman, members of this committee. My name is Kelly Flynn. I am a rancher, ~~SB~~st ranch owner, 100 and outfitter from Townsend. I am currently the Chairman of the Board of Outfitters for the state. I also serve as co-chairman for the legislative committee for the Montana Outfitter and Guides Association. Today I'm representing the Montana Outfitter and Guides Association and also speaking as a citizen of our state.

I stand today in support of SB 100.. This bill works to support the theme of "taking a bite out of wildlife crime". Currently, our law provides for misdemeanor status for "Outfitting without a license". The highest fine on that schedule is \$1000 and currently the average fine for a conviction is less than that by several hundred dollars.

Let's compare this with the costs to a "licensed outfitter" in the state of Montana... and the cost to us as Montana citizens. It's important to remember that these unlicensed service providers may not be contributing to our state's workmen's compensation, state unemployment, and state lands programs. Additionally they most likely aren't paying state or federal income tax on the money they're charging their clients. Additionally they probably aren't paying federal unemployment taxes or fees for the BLM or Forest Service where they often take their clients. Rarely do they pay social security taxes on the amounts that they charge their clients or "friends". Instead we as Montana citizens have to pay more because they pay less or little. ... Members of the committee, I'll refer to my outfitting operation as an example and our business is in the middle class of the outfitting industry ( one of the 80% of the outfitters that hosts between one to forty clients in a year) Please look at the table of expenses for 2006 for my recreation business.

<u>Expense</u>	<u>Hidden Hollow Hideaway</u>	<u>Unlicensed provider</u>
Cost of outfitting license	\$ 370 ( \$300 + \$70)	0
Cost of guide's licenses	\$ 300 ( 3 X\$100)	0
First Aid Card renewal	\$ 47	0
Liability Insurance	\$2497	0
State Unemployment Insurance	\$ 322	0?
State Land Lease fee	\$ 565	0
Work Comp Coverage	\$4234	0?
State Income Tax	\$3048	0?
<b>ANNUAL STATE COSTS</b>	<b>\$11383</b>	<b>0?</b>
BLM payment	\$ 90	0
Forest Service payment	\$ 3434	0
Federal Unemployment Insurance	\$ 449	0?
Social Security payment from ranch	\$ 4234	0?
Federal Income Tax	\$10,886	0?
<b>ANNUAL FEDERAL COSTS</b>	<b>\$19,093</b>	<b>0?</b>
Wages paid ( employees)	\$55301	0?
Federal Tax withheld(employees)	\$ 8113	0?
Montana Tax withheld(employees)	\$ 3276	0?

As you can see, the total annual costs add to over \$30,000 for one year. The unlicensed provider often doesn't pay his "fair share" in taxes & fees leaving us as ordinary citizens to pay more than our fair share. SB Bill 100 will help serve as a deterrent although the \$10,000 minimum fine is a small portion of what it costs an average licensed outfitter in Montana annually.

I have heard several concerns from the bill. Number 1 – this bill does NOT make it a felony with the high fine for a LICENSED outfitter doesn't get his license renewed on time or who doesn't have his insurance or first aid card in on time. Number 2 – this bill does not affect " a person providing services on real property that the person owns for the primary pursuit of bona fide agricultural interests". This stays the same as per Section 2 – Number 11.

I thank the committee for their time and I'd appreciate your support of SB 100.

Sincerely yours ...

Kelly Flynn ---- Hidden Hollow Hideaway Cattle & Guest Ranch